



General Assembly

***Raised Bill No. 486***

*February Session, 2000*

LCO No. 1898

Referred to Committee on Labor and Public Employees

Introduced by:  
(LAB)

***An Act Concerning Standards For State Economic Development Assistance.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1       Section 1. (NEW) As used in this act:

2       (1) "Awarding authority" means the Commissioner of Economic and  
3       Community Development, the board of directors of the Connecticut  
4       Development Authority, the board of directors of Connecticut  
5       Innovations, Incorporated and the head of any other state agency  
6       authorized to award state assistance, as defined in subdivision (2) of  
7       this section.

8       (2) "State assistance" means any grant, loan, loan guarantee or  
9       issuance of tax benefit not of general applicability for the purpose of  
10      economic development that is (A) made to a business entity operated  
11      for profit, and (B) in an amount greater than five hundred thousand  
12      dollars or that, if added to any other such state assistance made to the  
13      same business entity during the preceding five years, would total  
14      greater than five hundred thousand dollars.

15       Sec. 2. (NEW) An awarding authority shall not award state  
16 assistance pursuant to this act unless the recipient of such assistance  
17 enters into an agreement with the awarding authority, for the term of  
18 the agreement or for a period of five years following the receipt of such  
19 assistance, whichever is greater, to (1) remain in substantial and  
20 material compliance with state and federal law; (2) provide  
21 compensation, including benefits or the actuarial value of benefits, that  
22 is at least equal or equivalent to the standard compensation  
23 determined in accordance with the provisions of section 4 of this act;  
24 (3) offer compensation and benefits to part-time employees that are  
25 comparable to the compensation and benefits offered to full-time  
26 employees performing comparable work, prorated as to the amount of  
27 time worked that is less than the standard for full-time employees of  
28 the recipient; and (4) maintain or increase full-time employment, based  
29 on the highest total number of full-time employees of the recipient on  
30 any date during the period commencing one year prior to the date of  
31 the agreement and ending on the date of the agreement. For purposes  
32 of this section, "full-time employee" means any employee (A) receiving  
33 the full amount of any noncash benefits available to employees of the  
34 recipient, and (B) who averages, over any one-year period, not less  
35 than thirty hours of work per week as an employee of the recipient.  
36 The awarding authority may require that each recipient of state  
37 assistance provide such information as is necessary to determine  
38 compliance with the requirements of this act and shall include a  
39 requirement to provide such information in any agreement entered  
40 into that is subject to this act.

41       Sec. 3. (NEW) (a) If an awarding authority finds that a recipient of  
42 state assistance is not in material and substantial compliance with an  
43 agreement entered into pursuant to section 2 of this act, the awarding  
44 authority shall provide written notice, by registered mail, to the  
45 recipient and shall order the recipient to come into compliance with  
46 such agreement not less than one hundred eighty days following  
47 receipt of such notice. Failure to comply with reporting requirements  
48 set forth in such agreement shall be deemed a failure to comply with

49 this act. If the recipient fails to come into compliance with such  
50 agreement within the one-hundred-eighty-day period, the awarding  
51 authority may (1) unilaterally rescind the agreement and require that  
52 the state be made whole by the repayment by the recipient of (A) the  
53 amount of any grant made, (B) the amount of any loan outstanding,  
54 including any interest necessary to make the state whole, or (C) the  
55 amount of any tax benefit received, or (2) impose a penalty, for the  
56 period of failure to comply, at the rate of one per cent per month or  
57 any part thereof of the amount of the grant, tax benefit or loan  
58 outstanding. The awarding authority may foreclose on any collateral  
59 or bond related to such grant, tax benefit or loan for the purpose of  
60 payment of such penalty and any costs incurred by the awarding  
61 authority in connection with collection of such penalty.

62 (b) Notwithstanding the provisions of subsection (a) of this section,  
63 any recipient of state assistance that reduces the number of its full-time  
64 employees, as defined in section 2 of this act, within the state by more  
65 than twenty-five per cent during the period of the agreement or a  
66 period of five years following the receipt of such assistance, whichever  
67 is greater, shall be ordered by the awarding authority to repay the  
68 amount of the state assistance received plus a penalty of five per cent  
69 of such amount.

70 (c) If the recipient of state assistance in the form of a loan is late in  
71 making payment of any periodic instalment due on such loan, the  
72 awarding authority shall not waive any standard late fee.

73 (d) Annually, on or before January first, each awarding authority  
74 shall notify the Governor and the General Assembly of each recipient  
75 of state assistance that has failed to materially and substantially  
76 comply with the provisions of any agreement entered into pursuant to  
77 section 2 of this act during the preceding calendar year and the actions  
78 taken by the awarding authority with respect to such recipient.

79 Sec. 4. (NEW) (a) The Labor Commissioner shall determine and  
80 annually adjust rates of standard compensation for hourly clerical,

81 service and production employees, each as a group, and for salaried  
82 clerical, service and nonmanagerial professional employees, each as a  
83 group, with respect to each type of business entity that corresponds to  
84 a business entity that is a recipient of state assistance. The awarding  
85 authority shall use such rate to determine compliance with the  
86 provisions of this act. Standard compensation shall be at least equal to  
87 the amount deemed necessary by the awarding authority, in  
88 consultation with the Labor Commissioner, if the recipient does not  
89 offer a comprehensive health benefits plan or a qualified pension plan.

90 (b) Nothing in this section shall be deemed to supersede or modify  
91 any collective bargaining agreement entered into by a recipient.

92 (c) The Labor Commissioner shall adopt regulations, in accordance  
93 with the provisions of chapter 54 of the general statutes, to carry out  
94 the purposes of this section. Such regulations may include guidelines  
95 and procedures relating to the information that is required to be  
96 reported by each recipient.

**LAB Committee Vote:** Yea 8 Nay 4 JF C/R FIN

**FIN Committee Vote:** Yea 25 Nay 21 JF